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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In re Applications of	)	MM Docket No. 93-94
Scripps Howard Broadcasting Company	)	FCC File No. BRCT-910603KX
For Renewal of License of Station WMAR-TV, Baltimore, Maryland	)	
and	)	
Four Jacks Broadcasting, Inc.	)	FCC File No. BPCT-910903KE
For a Construction Permit For a New Television Facility on Channel 2 in Baltimore, Maryland	)	

TO: The Honorable Richard L. Sippel
Presiding Administrative Law Judge

MOTION TO REOPEN THE RECORD FOR THE RECEIPT OF NEW EVIDENCE RELEVANT TO INTEGRATION

Scripps Howard Broadcasting Company ("Scripps Howard"), through counsel, hereby requests that the Presiding Judge reopen the record for the purpose of receiving into evidence materials Sinclair Broadcast Group, Inc. ("Sinclair") filed with the Securities and Exchange Commission ("SEC") on December 2, 1993 and December 6, 1993. See attached Proposed Scripps Howard Exhibits 33 & 34. Scripps Howard proposes that the Presiding Judge receive the latest Sinclair SEC document, Sinclair Broadcast Group, Inc. Prospectus filed December 6, 1993 ("December 6 Prospectus"), into

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evidence in its entirety. However, Scripps Howard does not seek to introduce the entire December 2, 1993, Registration Statement ("December 2 Registration Statement") into evidence. In an effort to not burden the record, Scripps Howard only seeks to introduce pages 1, 18, 19 of the December 2 Registration Statement into evidence. These documents are further amendments to the SEC Form S-1 Registration Statement originally filed by Sinclair on September 28, 1993. The September 28, 1993, filing has already been received as evidence in this case. The December 6 Prospectus and the attached pages of the December 2 Registration Statement should be admitted into evidence because they contain new and relevant information related to the integration credit claimed by three of the four principals of Four Jacks Broadcasting, Inc. ("Four Jacks"). These two SEC filings also meet the Commission's criteria for new evidence justifying the reopening of the record. See Omaha TV 15, Inc., 4 F.C.C. Rcd 730, 730-31 ¶ 6 (1988).

1. Sinclair is a holding company that is wholly owned by the principals of Four Jacks. Sinclair currently owns three television stations and is in the process of acquiring two more television stations, subject to approval by the Federal Communications Commission. Hearing Transcript, Volume 11 at 1081-82. David Smith, Robert Smith, and Frederick Smith are now all currently employed as officers and directors of Sinclair. Hearing Transcript, Volume 11 at 1073-74 (David Smith), 1239 (Robert Smith); Volume 12 at 1296 (Frederick Smith).

2. On September 28, 1993, Sinclair filed a Form S-1 Registration Statement with the Securities and Exchange Commission for the primary purpose of raising money to refinance an existing bank debt. Hearing Transcript, Volume 11 at 1076. This Registration Statement contained various information concerning Sinclair's business arrangements and plans for the future.

3. The Presiding Judge received the September 28, 1993, Registration Statement, along with an amendment to the Registration Statement dated November 9, 1993, as evidence in this proceeding. See Scripps Howard Exhibits 26 & 31, respectively. He found these filings were relevant to the integration issue and the degree to which the outside business interests of Four Jacks' principals would affect their integration pledge to work full-time, a minimum 40 hours per week, at Channel 2 if Four Jacks' application is successful. See Hearing Transcript, Volume 11 at 1079, 1091; Volume 12 at 1287-88.

4. The December 2 Registration Statement pages and the December 6 Prospectus should be admitted into the record because they each contain new information relevant to the viability of the integration pledges of David Smith, Robert Smith and Frederick Smith. In particular, the December 2 Registration Statement states that:

> David D. Smith has informed the Company [Sinclair] that in neither the application nor the FCC proceeding with respect to Four Jacks has he committed to resign his official positions with, or dispose of his ownership interests in, the Company in the event that Four Jacks is awarded such channel by the FCC. Moreover, the Company believes that each of David D. Smith, Robert E. Smith, and Frederick G. Smith will be able to perform all of his

> current duties with the Company while fulfilling his commitment to work for Channel 2.

December 2 Registration Statement at 19. The December 2 Registration Statement makes clear for the first time that the Four Jacks principals will continue to work as before at Sinclair if their application for Channel 2 is successful. This information was not included in any of Sinclair's SEC statements available at the time of the comparative hearing nor is the information contained anywhere in Four Jacks' direct case or the record.

5. Similarly, the December 6 Prospectus contains information relevant to the Four Jacks principals' integration commitment. The December 6 Prospectus states that:

> [t]he Company [Sinclair] has been informed by its FCC regulatory counsel and each of these officers [David Smith, Robert Smith and Frederick Smith] that in neither the application nor the FCC proceeding with respect to Four Jacks has any of these officers committed to resign his official positions with, or dispose of his ownership interests in, the Company in the event that Four Jacks is awarded such channel by the FCC.

December 6 Prospectus at 19.

6. The information contained in these two SEC filings regarding the Smith brothers' intention to continue their employment at Sinclair is particularly germane because it is contrary to the representations contained in Four Jacks' direct case and statements made by Four Jacks' principals at the hearing. First, the intention to continue employment at Sinclair is contrary to the pledge by David, Robert and Frederick Smith to resign their then-current employment should they be successful in their application for Channel 2. See Four Jacks Exhibit 2 at 1, Exhibit

3 at 1, & Exhibit 4 at 1. Second, David Smith's intention to continue his employment at Sinclair is contrary to his testimony at the hearing, when he stated that any potential investors in Sinclair had been informed that he would leave Sinclair if Four Jacks' application for Channel 2 is granted. See Hearing Transcript, Volume 11 at 1095-97.

7. In addition, it is established law that the mere existence of outside business interests renders an applicant's full-time integration commitment questionable. Naguabo Broadcasting Co., 6 F.C.C. Rcd 4879, 4880 ¶ 8 (1991). As these two SEC filings each contain distinct new information regarding the scope of Four Jacks' principals outside business interests and their commitment to these interests, they are of potentially decisional significance in this proceedings and should be admitted.

8. Admission of these two SEC filings is also consistent with the Presiding Judge's rulings regarding the Sinclair SEC documents. After receiving the September 28, 1993, Registration Statement and the November 9, 1993, amendment into evidence, the Presiding Judge noted that "if there's another SEC filing [by Sinclair] that's substantially of impact on the information that we've been handling in this case, a motion to reopen the record can be filed . . . ." Hearing Transcript, Volume 12 at 1379-80. The Presiding Judge stated that if the subsequent SEC filing contained information relevant to the integration issue, it would be admitted into the record. Id. at 1288.

9. Four Jacks will not be prejudiced by the introduction of these documents into evidence. The Presiding Judge made clear at the hearing that he would receive further SEC filings by Sinclair if the filings were relevant to the integration issue. Id.

10. Finally, the documents meet the Commission's standards for evidence justifying the reopening of the record because they are new evidence of decisional significance that could not have been discovered earlier. See Frank Digesu, Sr., 7 F.C.C. Rcd 5459, 5461 & n.7 (1992); Omaha TV 15, Inc., 4 F.C.C. Rcd 730, 730-31 ¶ 6 (1988); News-Sun Broadcasting Co., 27 F.C.C. 2d 61 (1971).

WHEREFORE, Scripps Howard Broadcasting Company requests that its Motion to Reopen the Record for the Receipt of New Information Relevant to Integration be granted.

Respectfully submitted,

Scripps Howard
Broadcasting Company

By: ______________________
Kenneth C. Howard, Jr.
Leonard C. Greenebaum
Sean H. Lane

Its Attorneys

BAKER & HOSTETLER
1050 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20036
(202) 861-1500

Date: December 9, 1993

<u>Certificate of Service</u>

I, Ruth Omonijo, a secretary in the law of offices of Baker & Hostetler, hereby certify that I have caused copies of the foregoing "Motion to Reopen the Record for the Receipt of New Evidence Relevant to Integration" to be sent via United States First Class Mail, postage prepaid, on this 9th day of December, 1993 to the following:

The Honorable Richard L. Sippel*
Presiding Administrative Law Judge
Federal Communications Commission
2000 L Street, N.W.
Room 218
Washington, DC 20554

Martin R. Leader, Esq.
Fisher Wayland Cooper & Leader
1255 23rd Street, N.W.
Suite 800
Washington, DC 20037
Counsel to Four Jacks
Broadcasting, Inc.

Robert Zauner, Esq.
Hearing Branch-Mass Media Bureau
Federal Communications Commission
2025 M Street, NW
Room 7212
Washington, DC 20554

Ruth Omonijo

Ruth Omonijo

* By Hand

PROPOSED SCRIPPS HOWARD BROADCASTING CO.
EXHIBIT NO. 33

Δ As filed with the Securities and Exchange Commission on December 2, 1993

Registration No. 33-69482

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 5 to FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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SINCLAIR BROADCAST GROUP, INC.

(Exact name of registrant as specified in its charter)

Maryland	4833	52-1494660
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

2000 West 41st Street
Baltimore, Maryland 21211
(410) 467-5005
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)
See Table of Additional Registrants below

David D. Smith
President
Sinclair Broadcast Group, Inc.
2000 West 41st Street
Baltimore, Maryland 21211
(410) 467-5005
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

George P. Stamas, Esq.	Steven A. Thomas, Esq.	Valerie Ford Jacob, Esq.
Piper & Marbury	Thomas & Libowitz, P.A.	Fried, Frank, Harris, Shriver & Jacobson
36 South Charles Street	100 Light Street, Suite 1100	One New York Plaza
Baltimore, Maryland 21201	Baltimore, Maryland 21202	New York, New York 10004
(410) 539-2530	(410) 752-2468	(212) 820-8000

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
% Senior Secured Notes due 2003	$200,000,000	100%	$200,000,000	$65,733

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933.
(2) The Registrant previously paid $31,250 on September 28, 1993 upon the initial filing of the Registration Statement.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Possible Failure to Consummate Proposed Acquisitions

Consummation of each of the Proposed Acquisitions is subject to the receipt of sufficient financing and certain closing conditions, including the closing of each of the other Proposed Acquisitions and the Glencairn Acquisitions (as defined). FCC consent for the Proposed Acquisitions and the Glencairn Acquisitions is also required and is a precondition to closing. The Company estimates that the FCC will rule on the Proposed Acquisitions and the Glencairn Acquisitions during the first quarter of 1994. If the FCC grants its consent to these transactions, members of the general public have 30 days from the day upon which public notice of the FCC's consent to these transactions is granted to petition the FCC to reconsider, review or stay the FCC consent to any of these transactions. The FCC has an additional 10 days to set aside on its own motion the consent to any of these transactions. Thus, assuming that no action is taken to reconsider or review the FCC consent, the FCC consent to these transactions becomes final 40 days from the date on which the FCC issues its public notice reflecting the grant of the licenses. Whether or not FCC consent has been obtained, any party to the purchase agreements may terminate such agreements after June 30, 1994 in the event the acquisitions have not been consummated. If FCC consent is obtained but the Proposed Acquisitions are not consummated, the Company will, in certain circumstances (including the failure to obtain sufficient financing), forfeit its $6.25 million deposit in the form of a letter of credit. There can be no assurance that FCC consent will be granted, that the other closing conditions will be satisfied or waived, or that the Company or Glencairn Ltd. ("Glencairn") will obtain sufficient financing on terms acceptable to either of them. A third party has filed a petition with the FCC to deny the application for consent to assign a license pursuant to one of the Glencairn Acquisitions. See "Proposed Acquisitions." Moreover, if the Company fails to consummate the Proposed Acquisitions by June 1, 1994, the Company will be required to redeem $100.0 million principal amount of the Notes. See "Description of the Notes — Special Mandatory Redemption."

Potential FCC Regulation of Local Marketing Agreements

The FCC currently is reviewing its "cross-interest policy," which essentially prevents individuals from having meaningful "cross-interests" which are not otherwise specifically prohibited by the application of the multiple ownership rules discussed herein. See "Business—Licensing and Regulation—*Ownership Limitations*." In connection with such review, in June 1992, the FCC released a Notice of Proposed Rulemaking which, among other things, seeks comments on the extent to which local marketing agreements between television stations should be regulated. The FCC has permitted similiar agreements for radio broadcast stations and has, to date, not stated that local marketing agreements between televisions stations would be an impermissible business arrangement. There can be no assurance, however, that the FCC will not prohibit or restrict television local marketing agreements as a result of the above-mentioned rulemaking or of any other proceeding.

In 1991, Keyser Communications, Inc. ("KCI"), a company wholly owned by the Current Stockholders, entered into a PSA with WPTT in Pittsburgh, and the Company entered into a marketing and sales agreement with KCI with respect to the sale of advertising time available on the programming aired by KCI on WPTT. In connection with the Proposed Acquisitions, the Company is expected to enter into a PSA with WNUV in Baltimore and WVTV in Milwaukee. These arrangements with WNUV and WVTV have been described in the Company's pending FCC application for approval of the WCGV and WTTO acquisitions. The existing and proposed PSAs are examples of local marketing agreements. The Company does not believe that any changes in the cross-interest policy will have a material adverse effect on the proposed arrangements in Baltimore and Milwaukee, or on the Company's operations generally; however, there can be no assurance in this regard.

Control by Stockholders; Dependence Upon Key Personnel; Potential Commitment by Executive Officers to Non-Company Operations

The Current Stockholders own in the aggregate 100% of the outstanding capital stock of the Company. Accordingly, such individuals are able to control the vote on all matters submitted to a vote of the Company's stockholders. Moreover, the Company leases property from and engages in other transactions with non-Company entities controlled by the Current Stockholders and family members. See "Certain Transactions."

The Company believes that its success will continue to be dependent upon its ability to attract and retain skilled managers and other personnel, including its present officers and general managers. The loss of services of any of the present officers, especially its President and Chief Executive Officer, David D. Smith, may have a material adverse effect on the operations of the Company. None of the Company's officers has an employment agreement with the Company. In addition, each of David D. Smith, Robert E. Smith and Frederick G. Smith, executive officers of the Company, has made certain commitments in the application filed with the FCC by Four Jacks, including the commitment to work on a full-time basis (40 hours or more per week) in the operations of Channel 2 in Baltimore in the event that Four Jacks is awarded such channel by the FCC. However, David D. Smith has informed the Company that in neither the application nor the FCC proceeding with respect to Four Jacks has he committed to resign his official positions with, or dispose of his ownership interests in, the Company in the event that Four Jacks is awarded such channel by the FCC. Moreover, the Company believes that each of David D. Smith, Robert E. Smith and Frederick G. Smith will be able to perform all of his current duties with the Company while fulfilling his commitment to work for Channel 2. The Company maintains key personnel life insurance of $5.0 million on the life of David D. Smith, but does not maintain such insurance on any of the other officers. See "Management."

Absence of Public Trading Market for the Notes

There is no public market for the Notes and the Company does not intend to apply for listing of the Notes on any national securities exchange or for quotation of the Notes through Nasdaq. The Company has been advised by the Underwriters that, following the completion of the Offering, the Underwriters presently intend to make a market in the Notes; however, they are under no obligation to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active public market will develop or, if developed, will continue. If an active public market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected.

THE COMPANY

Sinclair Broadcast Group, Inc. owns and operates three Fox-affiliated independent UHF television stations: WBFF in Baltimore, Maryland; WPGH in Pittsburgh, Pennsylvania; and WTTE-TV in Columbus, Ohio. WBFF and WPGH are the leading revenue producing independents in their respective markets. WTTE is the sole independent in the Columbus market. Each of the stations broadcasts in one of the 35 largest media markets in the country. The Company's three markets are characterized by favorable demographics and strong local economies.

During the last three years, the Company's net broadcast revenues have grown steadily from $37.5 million in 1990 to $67.3 million in 1992, representing a compound annual growth rate of 34.0%. Broadcast operating cash flow has increased from $11.5 million in 1990 to $25.8 million in 1992, representing a compound annual growth rate of 49.8%. Net income has decreased from a net income of $2.8 million in 1990 to a net loss of $5.3 million in 1992, primarily due to increased amortization and interest expense as a result of the acquisition of both the Founders' Stock and WPGH. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

WBFF is located in Baltimore, the 22nd largest media market in the country, with over 970,000 television households and a population of approximately 2.6 million. Baltimore is home to a large number of state and federal employees and has significant concentrations of business in the education, health care and defense industries. Total television advertising revenues in the Baltimore market increased by 4.9% in 1992 from 1991 and 0.3% for the six months ended June 30, 1993 from the six months ended June 30, 1992.

WPGH is located in Pittsburgh, the 17th largest media market in the country, with over 1.1 million television households and a population of approximately 2.9 million. Pittsburgh is a market in transition from a heavy manufacturing economic base toward a high technology economy. Pittsburgh is known as one of the leading medical centers in the country and is also home to many Fortune 500 companies. Total television advertising revenues in the Pittsburgh market increased by 9.5% in 1992 from 1991 and 3.9% for the six months ended June 30, 1993 from the six months ended June 30, 1992.

PROPOSED SCRIPPS HOWARD BROADCASTING CO.
EXHIBIT NO. 34

Filed Pursuant to
Rule 424(b)(1)
Registration No. 33-6945

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PROSPECTUS

$200,000,000

SBG

SINCLAIR BROADCAST GROUP

10% Senior Subordinated Notes due 2003

The 10% Senior Subordinated Notes due 2003 (the "Notes") are being offered by Sinclair Broadcast Group, Inc. (the "Company"). The Notes will be guaranteed, jointly and severally (the "Guarantees"), on a senior subordinated basis by each of the Company's subsidiaries (the "Guarantors" or the "Subsidiaries"). See "Description of the Notes — Guarantees."

Interest on the Notes will be payable semiannually on June 15 and December 15 of each year, commencing June 15, 1994. The Notes will be redeemable at the option of the Company, in whole or in part, at any time on or after December 15, 1998, at the redemption prices set forth herein, together with accrued and unpaid interest, if any, to the date of redemption. On or prior to December 15, 1996, the Company may redeem up to 25% of the original principal amount of Notes with the proceeds of a Public Equity Offering (as defined) of the Company at 109% of the aggregate principal amount, together with accrued and unpaid interest, if any, to the date of redemption. In addition, upon the occurrence of a Change of Control (as defined), each holder of the Notes may require the Company to repurchase all or a portion of such holder's Notes at 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of repurchase. See "Description of the Notes." Notes in the aggregate principal amount of $100.0 million are subject to a special redemption on a pro rata basis on or prior to June 15, 1994 with monies held by the Trustee at 100% of the principal amount thereof, plus accrued interest to the date of redemption, if it appears, in the sole judgment of the Company, that the Permitted Acquisition (as defined in the Indenture) can not be consummated in all material respects on or prior to June 1, 1994; *provided* that such redemption will occur on June 15, 1994 if the Permitted Acquisition has not been consummated by June 1, 1994. Prior to consummation of the Permitted Acquisition, $100.0 million of the proceeds from the sale of the Notes will be held by the Trustee pursuant to the Pledge Agreement (as defined in the Indenture) and invested in certain permitted investments, and the Notes will be secured by such proceeds. See "Description of the Notes — Special Mandatory Redemption."

Except as set forth in the Pledge Agreement, the Notes will be unsecured obligations of the Company and will be subordinated to all existing and future Senior Indebtedness (as defined) of the Company. The Guarantees will be unsecured obligations of the Guarantors and will be subordinated to all existing and future Guarantor Senior Indebtedness (as defined). As of September 30, 1993, on a pro forma basis, after giving effect to the sale of the Notes offered hereby and the application of the estimated net proceeds thereof, the aggregate amount of Senior Indebtedness that ranked senior in right of payment to the Notes would have been $19.4 million and the aggregate amount of Guarantor Senior Indebtedness that ranked senior in right of payment to the Guarantees would have been $27.7 million (including $19.4 million of outstanding indebtedness representing guarantees of Senior Indebtedness). Under the terms of the indenture with respect to the Notes (the "Indenture"), the Company and the Guarantors are permitted to incur additional Senior Indebtedness and Guarantor Senior Indebtedness, including certain acquisition indebtedness.

There is no public market for the Notes and the Company does not intend to apply for listing of the Notes on any national securities exchange or for quotation of the Notes through Nasdaq (as defined). Following completion of the Offering, the Underwriters presently intend to make a market in the Notes; however, they are under no obligation to do so and may discontinue any market-making activities at any time without notice. See "Risk Factors — Absence of Public Trading Market for the Notes."

The Company is highly leveraged and has experienced net losses in the last two years and the most recent interim period. See "Risk Factors — Substantial Leverage; Restrictive Covenants."

For information concerning certain factors that should be considered by prospective investors, see "Risk Factors."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discount(2)	Proceeds to Company(1)(3)
Per Note	100.0%	2.0%	98.0%
Total	$200,000,000	$4,000,000	$196,000,000

(1) Plus accrued interest, if any, from December 9, 1993.

(2) The Company and the Guarantors have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."

(3) Before deducting expenses, estimated at $1,000,000 payable by the Company.

The Notes are offered by the several Underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the several Underwriters and certain other conditions. The Underwriters reserve the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery will be made in New York, New York on or about December 9, 1993.

Chase Securities, Inc. **Lehman Brothers**

December 2, 1993.

Sinclair Broadcast Group, Inc.

Baltimore, Maryland

Pittsburgh, Pennsylvania

Columbus, Ohio

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

PROSPECTUS SUMMARY

The following summary should be read in conjunction with the more detailed information, financial statements and notes thereto appearing elsewhere in this Prospectus. References in this Prospectus to the "Offering" shall refer to the offering of the Notes hereby. All market rank, rank in market and station audience share rating and share data in this Prospectus are from the Arbitron Television Market Reports dated May 1993, unless otherwise noted. Unless the context otherwise requires, references to the "Company" mean Sinclair Broadcast Group, Inc., its wholly owned subsidiaries, Chesapeake Television, Inc., WPGH, Inc., WTTE, Channel 28, Inc., WTTO, Inc. and WCGV, Inc., and their respective wholly owned subsidiaries, Chesapeake Television Licensee, Inc., WPGH Licensee, Inc., WTTE, Channel 28 Licensee, Inc., WTTO Licensee, Inc. and WCGV Licensee, Inc. (collectively, the "Guarantors" or the "Subsidiaries"). See "Risk Factors" for a discussion of certain risks associated with an investment in the Notes.

The Company

Sinclair Broadcast Group, Inc. owns and operates three Fox-affiliated independent UHF television stations: WBFF-TV in Baltimore, Maryland ("WBFF"); WPGH-TV in Pittsburgh, Pennsylvania ("WPGH"); and WTTE-TV in Columbus, Ohio ("WTTE"). WBFF and WPGH are the leading revenue producing independents in their respective markets. WTTE is the sole independent in the Columbus market. Each of the stations broadcasts in one of the 35 largest media markets in the country. The Company's three markets are characterized by favorable demographics and strong local economies.

During the last three years, the Company's net broadcast revenues have grown steadily from $37.5 million in 1990 to $67.3 million in 1992, representing a compound annual growth rate of 34.0%. Broadcast operating cash flow has increased from $11.5 million in 1990 to $25.8 million in 1992, representing a compound annual growth rate of 49.8%. Net income has decreased from a net income of $2.8 million in 1990 to a net loss of $5.3 million in 1992, primarily due to increased amortization and interest expense as a result of the acquisition of both the Founders' Stock (as defined) and WPGH. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

WBFF is located in Baltimore, the 22nd largest media market in the country, with over 970,000 television households and a population of approximately 2.6 million. Baltimore is home to a large number of state and federal employees and has significant concentrations of business in the education, health care and defense industries. Total television advertising revenues in the Baltimore market increased by 4.9% in 1992 from 1991 and 0.3% for the six months ended June 30, 1993 from the six months ended June 30, 1992.

WPGH is located in Pittsburgh, the 17th largest media market in the country, with over 1.1 million television households and a population of approximately 2.9 million. Pittsburgh is a market in transition from a heavy manufacturing economic base toward a high technology economy. Pittsburgh is known as one of the leading medical centers in the country and is also home to many Fortune 500 companies. Total television advertising revenues in the Pittsburgh market increased by 9.5% in 1992 from 1991 and 3.9% for the six months ended June 30, 1993 from the six months ended June 30, 1992.

WTTE is located in Columbus, the 34th largest media market in the country, with over 695,000 television households and a population of approximately 1.8 million. Columbus, Ohio's state capital and the home of Ohio State University and many Fortune 500 companies, is a growing area characterized by a relatively young population. Total television advertising revenues in the Columbus market increased by 16.2% in 1992 from 1991 and 11.5% for the six months ended June 30, 1993 from the six months ended June 30, 1992. See "Business — The Company's Television Stations."

The Company's operating strategy is: (i) to increase viewership and advertising revenues through the acquisition of quality programming, the use of counter-programming and children's programming, the introduction and development of hour-long local news at 10:00 p.m., and extensive community involvement by the stations; (ii) to aggressively control operating and programming costs; and (iii) to acquire additional broadcast properties which offer attractive growth opportunities. See "Business — Operating Strategy."

The Company is the successor to a business founded in 1952 by the father of the Company's current stockholders and which received its first television broadcast license in the late 1960s when it constructed WBFF in Baltimore. Subsequently, the business expanded through the construction of WPTT-TV ("WPTT") in Pittsburgh in 1978, WTTE in Columbus in 1984 and WIIB-TV ("WIIB") in Bloomington, Indiana in 1988. In 1986, the predecessor business was acquired by the Company, which was formed by certain stockholders, including the Company's current stockholders, David D. Smith, Frederick G. Smith, J. Duncan Smith and Robert E. Smith (collectively, the "Current Stockholders"), and their parents (together with the Current Stockholders, the "Smith Family"). During 1989 and 1990, the Company redeemed all of the outstanding shares of its capital stock held by stockholders other than the Current Stockholders. The Company sold WIIB in 1990 for $1.5 million. In 1991, the Company sold WPTT for $7.0 million and acquired WPGH for $55.0 million.

Proposed Acquisitions

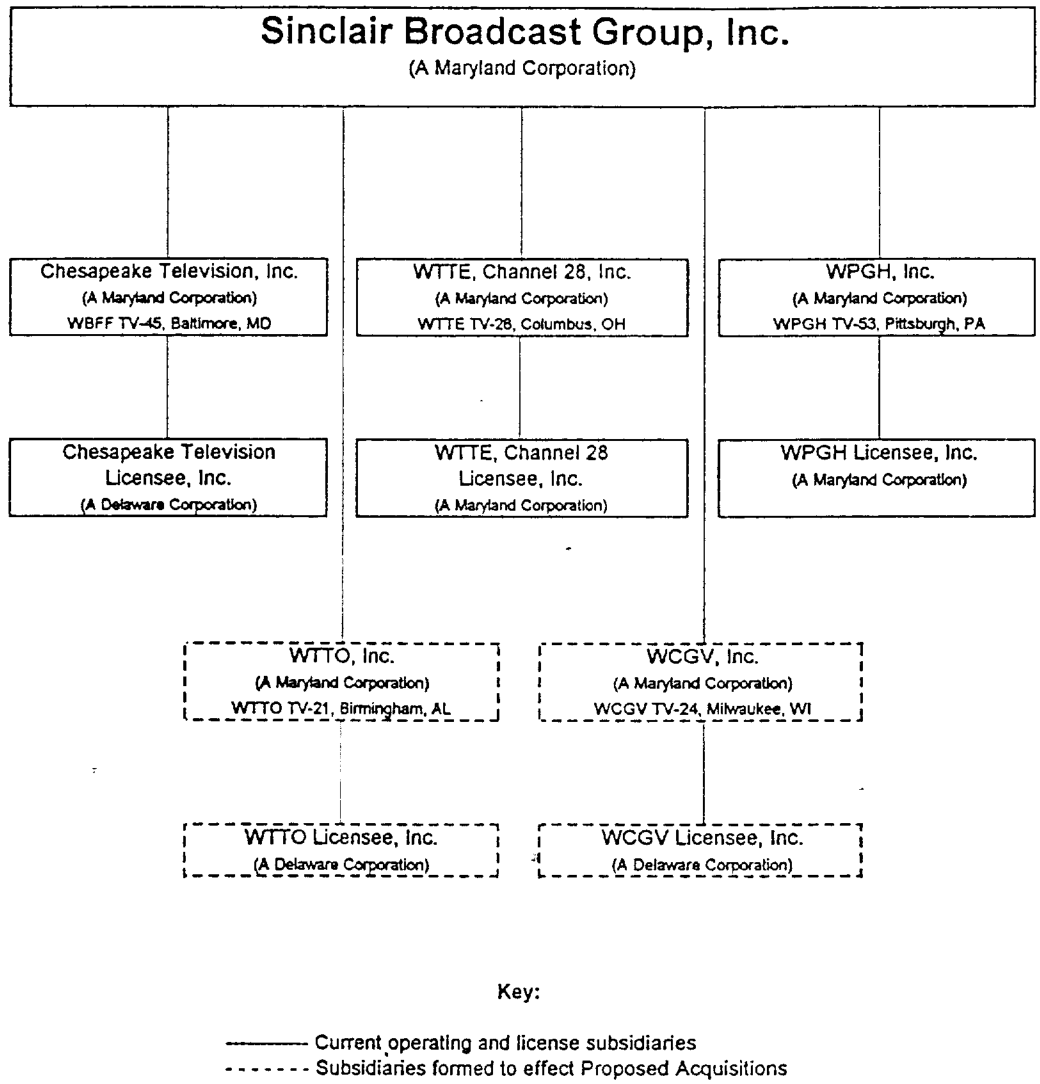
In August 1993, the Company entered into asset purchase agreements for the acquisition of two additional Fox-affiliated independent UHF television stations, WCGV-TV in Milwaukee, Wisconsin ("WCGV") and WTTO-TV in Birmingham, Alabama ("WTTO"), for an aggregate purchase price of approximately $60 million, subject to certain closing conditions and adjustments. If the acquisition is completed, the Company will also pay to the sellers approximately $56 million pursuant to a non-competition agreement with respect to Milwaukee, Birmingham and the Company's current markets. WCGV is one of three independents in the Milwaukee market, the 28th largest media market in the country; and WTTO is the leading revenue producing independent in the Birmingham market, the 49th largest media market in the country.

In August 1993, the Company also entered into agreements for the purchase of the programming contracts, advertiser subscription lists, production equipment and certain other assets (excluding the Federal Communications Commission ("FCC") licenses, call letters, trademarks, transmitter and technical equipment) of WNUV-TV in Baltimore, Maryland ("WNUV") and WVTV-TV in Milwaukee, Wisconsin ("WVTV"), for an aggregate purchase price of approximately $65 million, subject to certain closing conditions and purchase price adjustments. The proposed acquisitions of WCGV and WTTO and the purchase of certain assets of WNUV and WVTV are referred to herein collectively as the "Proposed Acquisitions."

FCC consent to the Proposed Acquisitions is pending. If FCC approval is obtained, it is expected that the Proposed Acquisitions will be consummated and that the Company will enter into programming services agreements ("PSAs") with WNUV and WVTV whereby the Company, in exchange for an hourly fee, will obtain the right to program and sell advertising on substantially all of the stations' inventory of broadcast time. Of the net proceeds of the Offering, $106.4 million is expected to be used to finance the Proposed Acquisitions. The Company intends to incur additional indebtedness of approximately $75 million to finance the Proposed Acquisitions. See "Proposed Acquisitions."

Organizational Structure

The following diagram outlines the organizational structure of the Company prior to, and after giving effect to, the Proposed Acquisitions.



The Offering

Notes Offered	$200,000,000 aggregate principal amount of 10% Senior Subordinated Notes due 2003.
Maturity Date	December 15, 2003. See "Description of the Notes – General."
Interest Payment Dates	June 15 and December 15 of each year, commencing June 15, 1994. See "Description of the Notes – General."
Optional Redemption	The Notes will be redeemable at the option of the Company, in whole or in part, at any time on or after December 15, 1998, at the redemption prices set forth herein, together with accrued and unpaid interest, if any, to the date of redemption. On or prior to December 15, 1996, the Company may redeem up to 25% of the original principal amount of the Notes with the proceeds of a Public Equity Offering at 109% of the aggregate principal amount, together with accrued and unpaid interest, if any, to the date of redemption. See "Description of the Notes – Optional Redemption."
Special Mandatory Redemption	Notes in the aggregate principal amount of $100.0 million are subject to a special redemption on a pro rata basis on or prior to June 15, 1994 with monies held by the Trustee at 100% of the principal amount thereof, plus accrued interest to the date of redemption, if it appears, in the sole judgment of the Company, that the Permitted Acquisition (as defined in the Indenture) can not be consummated in all material respects on or prior to June 1, 1994; *provided* that such redemption will occur on June 15, 1994 if the Permitted Acquisition has not been consummated by June 1, 1994.
Change of Control	Upon the occurrence of a Change of Control, each holder of the Notes may require the Company to repurchase all or a portion of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of repurchase. Certain highly leveraged transactions and certain transactions with the Company's management and its affiliates that may adversely affect holders of the Notes do not constitute a Change of Control. A Change of Control will result in an event of default under the Company's Credit Agreement, dated August 30, 1991, as amended, among the Company, the Guarantors and the Lenders named therein (the "Bank Credit Agreement") and could result in the acceleration of all indebtedness under the Bank Credit Agreement (which constitutes Senior Indebtedness). See "Description of the Notes – Certain Covenants – *Purchase of Notes Upon a Change of Control.*"
Ranking	The Notes will be unsecured subordinated obligations of the Company and, as such, will be subordinated to all existing and future Senior Indebtedness of the Company. The Notes will

rank *pari passu* with all future senior subordinated indebtedness of the Company, if any. As of September 30, 1993, on a pro forma basis, after giving effect to the sale of the Notes offered hereby and the application of the estimated net proceeds thereof, the aggregate amount of Senior Indebtedness that ranked senior in right of payment to the Notes would have been $19.4 million, and the aggregate amount of indebtedness that was *pari passu* in right of payment with the Notes would have been $3.5 million. In connection with the Proposed Acquisitions, the Company intends to incur an additional $75 million of indebtedness, all or a portion of which may constitute Senior Indebtedness. See "Description of the Notes — Subordination."

Guarantees .... The Notes will be guaranteed, jointly and severally, on a senior subordinated basis by each of the Guarantors. As of September 30, 1993, on a pro forma basis, after giving effect to the sale of the Notes offered hereby and the application of the estimated net proceeds thereof, the aggregate amount of Guarantor Senior Indebtedness that ranked senior in right of payment to the Guarantees would have been $27.7 million (including $19.4 million of outstanding indebtedness representing guarantees of Senior Indebtedness). See "Description of the Notes — Guarantees."

Certain Covenants .... The Indenture will contain certain covenants, including, but not limited to, covenants with respect to the following matters: (i) limitation on indebtedness; (ii) limitation on restricted payments; (iii) limitation on transactions with affiliates; (iv) limitation on senior subordinated indebtedness; (v) limitation on liens; (vi) limitation on sale of assets; (vii) limitation on issuances of guarantees of and pledges for indebtedness; (viii) restriction on transfer of assets; (ix) limitation on subsidiary equity interests; (x) limitation on dividends and other payment restrictions affecting subsidiaries; (xi) limitation on unrestricted subsidiaries; and (xii) restrictions on mergers, consolidations and the transfer of all or substantially all of the assets of the Company to another person. See "Description of the Notes — Certain Covenants."

Use of Proceeds .... The net proceeds from the sale of the Notes will be utilized to repay outstanding indebtedness under the Bank Credit Agreement, to pay a portion of the purchase price and expenses of the Proposed Acquisitions, if consummated, and for working capital and general corporate purposes. See "Use of Proceeds."

Absence of Public Trading Market for the Notes .... There is no public market for the Notes and the Company does not intend to apply for listing of the Notes on any national securities exchange or for quotation of the Notes through the National Association of Securities Dealers Automated Quotation System ("Nasdaq"). The Company has been advised by Chase Securities, Inc. and Lehman Brothers Inc. (together, the "Underwriters") that, following the completion of the Offering, the Underwriters presently intend to make a market in the Notes; however, they are under no obligation to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes or that an active public market will develop. If an active public market does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. See "Risk Factors — Absence of Public Trading Market for the Notes."

Risk Factors

Before purchasing the Notes offered hereby, potential investors should consider the factors described in "Risk Factors." These factors include substantial leverage and restrictive covenants contained in the instruments governing the Company's indebtedness, subordination of the Notes and the Guarantees and encumbrances on the Company's assets, holding company structure, potential release of the Guarantees, the effect of the loss of any of the Company's affiliation agreements with the Fox Broadcasting Company ("Fox"), the television industry in general, certain regulatory matters, conflicts of interest, the possible failure to consummate the Proposed Acquisitions, treatment of certain station agreements, control by principal stockholders and dependence on key personnel, potential commitment by executive officers to non-Company operations and absence of a public trading market for the Notes. See "Risk Factors."

Moreover, the Company may be required to divest its broadcast license for WBFF if an affiliate of the Company is granted a broadcast authority for a competing station pursuant to a pending application at the FCC. For 1992, net broadcast revenues from WBFF represented 31.7% of the Company's net broadcast revenues. This divestiture may or may not have a material adverse effect on the Company's ability to service its debt obligations. Any divestiture of WBFF, if accomplished through the sale of the stock or substantially all the assets of a Guarantor, would require the release of such Guarantor in accordance with the Indenture. See "Risk Factors — Possible Divestiture of WBFF."

Summary Consolidated Financial Data

The summary consolidated financial data for the years ended December 31, 1988, 1989, 1991 and 1992 and for the nine months ended September 30, 1990 and the three months ended December 31, 1990 have been derived from the Company's audited consolidated financial statements (the "Consolidated Financial Statements"). The consolidated financial statements for the three months ended December 31, 1990, the years ended December 31, 1991 and 1992 and the nine months ended September 30, 1992 and 1993 are included elsewhere in this Prospectus. The consolidated financial statements for, and as of, the nine months ended September 30, 1992 and 1993 are unaudited, but in the opinion of management, such financial statements have been prepared on the same basis as the audited Consolidated Financial Statements included elsewhere in this Prospectus and include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations for that period. Results for the nine months ended September 30, 1993 are not necessarily indicative of the results for a full year.

The acquisition by the Company on September 30, 1990 of the stock held by the parents of the Current Stockholders (the "Founders' Stock") was accounted for under the "push-down" method of accounting and a new accounting basis was established for the Company beginning September 30, 1990. Accordingly, results of operations for periods prior to September 30, 1990 are presented as predecessor company financial information, and are not comparable to results for subsequent periods.

The information below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements included elsewhere in this Prospectus.

	The Predecessor			The Company				
	Year Ended December 31,		Nine Months Ended Sept. 30,	Three Months Ended Dec. 31,	Year Ended December 31,		Nine Months Ended September 30,	
	1988	1989	1990(a)(b)	1990	1991(c)(d)	1992	1992	1993
				(Dollars in thousands)				
Statement of Operations Data:								
Net broadcast revenues	$34,464	$38,690	$27,268	$10,205	$45,358	$67,349	$45,570	$51,291
Operating expenses, excluding depreciation and amortization and special bonuses to be paid to executive officers	24,071	25,052	15,176	6,448	25,187	31,117	20,556	21,328
Depreciation and amortization (e)	6,407	9,913	5,156	1,765	18,078	30,920	23,478	17,300
Special bonuses paid to executive officers	–	–	–	–	–	–	–	10,000
Broadcast operating income	3,986	3,725	6,936	1,992	2,093	5,312	1,536	2,663
Interest expense	3,825	4,052	3,426	1,402	8,895	12,997	9,972	8,574
Interest and other income	35	146	324	150	562	1,207	943	1,622
Income (loss) before (provision) benefit for income taxes and extraordinary item	196	(181)	3,834	740	(6,240)	(6,478)	(7,493)	(4,289)
Net income (loss)	(115)	(898)	2,342	452	(4,660)	(5,289)	(6,094)	(2,952)
Ratio of earnings to fixed charges (f)	1.1 x	–	2.1 x	1.5 x	–	–	–	–
Other Data:								
Net cash flows from operating activities	$ 568	$ 1,608	$ (818)	$ 1,586	$ (2,264)	$ 5,235	$ 2,317	$10,515
Broadcast operating cash flow (g)	4,045	8,350	8,971	2,586	15,483	25,805	17,513	23,613
Broadcast operating cash flow margin (h)	11.7%	21.6%	32.9%	25.3%	34.1%	38.3%	38.4%	46.0%
Cash paid for interest	$ 3,156	$ 3,844	$ 3,731	$ 334	$ 5,604	$13,192	$10,692	$ 6,525
Program contract payments	6,348	5,288	3,121	1,171	4,688	10,427	7,501	6,350
Capital expenditures	1,520	1,239	1,652	479	3,985	441	268	255
Ratio of total debt to broadcast operating cash flow (i)					7.3 x	4.3 x		3.2 x
Ratio of broadcast operating cash flow to cash paid for interest					2.8 x	2.0 x		3.6 x
Ratio of broadcast operating cash flow to interest expense					1.7 x	2.0 x		2.8 x
Ratio of broadcast operating cash flow to interest expense, net					1.8 x	2.2 x		3.0 x
Ratio of broadcast operating cash flow less capital expenditures to cash paid for interest					2.1 x	1.9 x		3.6 x

(continued on following page)

	The Predecessor		The Company			
	As of December 31,		As of December 31,			As of September 30,
	1988	1989	1990(a)(b)	1991(c)(d)	1992	1993
			(Dollars in thousands)			
Balance Sheet Data:						
Total assets	$49,593	$51,156	$75,102	$149,227	$139,728	$124,758
Total debt (j)	29,729	31,020	51,280	112,303	110,659	102,997
Total stockholders' equity	105	(793)	1,608	(3,052)	(3,765)	(6,679)

(a) On September 30, 1990, the Company redeemed all of the Founders' Stock. The redemption was accounted for under the "push-down" method of accounting since approximately 73% of the outstanding shares of capital stock was purchased and a management control group became owner of all of the Company's outstanding capital stock.

(b) On September 30, 1990, the Company sold Channel 63, Inc., the owner and operator of WIIB, to the Current Stockholders. The statement of operations, balance sheet and other data subsequent to this date do not include amounts of Channel 63, Inc. and are therefore not comparable to preceding periods.

(c) WPGH, Inc. acquired the assets of WPGH on August 30, 1991. The statement of operations, balance sheet and other data presented for periods preceding this date do not include amounts for WPGH and are therefore not comparable to subsequent periods.

(d) WPTT was sold on August 30, 1991. The statement of operations, balance sheet and other data presented for periods subsequent to this date do not include amounts for WPTT and are therefore not comparable to preceding periods.

(e) Depreciation and amortization includes amortization of program contract costs and net realizable value adjustments, depreciation and amortization of property and equipment, and amortization of acquired intangible broadcasting assets and other assets including amortization of deferred financing costs.

(f) For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of net income (loss) before income taxes and extraordinary item plus fixed charges. Fixed charges consist of interest expense, which includes interest on all debt and amortization of debt discount and deferred financing costs. Earnings were inadequate to cover fixed charges for the years ended December 31, 1989, 1991 and 1992 and the nine months ended September 30, 1992 and 1993 by $181, $6,240, $6,478, $7,493 and $4,289, respectively.

(g) Broadcast operating cash flow is defined as broadcast operating income plus depreciation and amortization and special bonuses paid to executive officers, less program contract payments. Broadcast operating cash flow is a widely accepted financial indicator of a company's ability to service and/or incur debt. However, broadcast operating cash flow should not be construed as an alternative to broadcast operating income or net cash flows from operating activities and should not be construed as an indication of the Company's operating performance or as a measure of liquidity.

(h) Broadcast operating cash flow margin is defined as broadcast operating cash flow divided by net broadcast revenues.

(i) For the nine months ended September 30, 1993, the ratio of total debt to broadcast operating cash flow was computed using broadcast operating cash flow for the 12 months ended September 30, 1993.

(j) Total debt is defined as long-term debt, net of unamortized discount, and capital lease obligations, including current portion thereof, and warrants outstanding. The remaining outstanding warrants were purchased by the Company for $9,000 in September 1993.

Summary Pro Forma Consolidated Financial Data

The Summary Pro Forma Consolidated Financial Data of the Company are derived from the pro forma consolidated financial statements of the Company included elsewhere in this Prospectus. See "Pro Forma Consolidated Financial Data."

	Post Offering		Post Acquisition	
	Year Ended December 31, 1992	Nine Months Ended September 30, 1993	Year Ended December 31, 1992	Nine Months Ended September 30, 1993
	(Dollars in thousands)			
Statement of Operations Data:				
Net broadcast revenues	$67,349	$51,291	$102,528	$75,856
Operating expenses, excluding depreciation and amortization and special bonuses paid to executive officers	31,117	21,328	50,924	32,724
Depreciation and amortization (a)	30,322	16,771	64,870	41,798
Special bonuses paid to executive officers	—	10,000	—	10,000
Broadcast operating income	5,910	3,192	(13,266)	(8,666)
Interest expense	12,879	9,433	28,504	21,152
Interest and other income	1,207	1,622	1,207	1,622
Income (loss) before (provision) benefit for income taxes	(5,762)	(4,619)	(40,563)	(28,196)
Net income (loss)	(4,573)	(4,539)	(39,374)	(27,316)
Ratio of earnings to fixed charges (b)	—	—	—	—
Other Data:				
Net cash flows from operating activities	$ 5,353	$ 9,656	$ 12,955	$17,509
Broadcast operating cash flow (c)	25,805	23,613	39,557	35,826
Broadcast operating cash flow margin (d)	38.3%	46.0%	38.6%	47.2%
Cash paid for interest	$14,922	$ 8,831	$ 30,547	$20,550
Program contract payments (e)	10,427	6,350	19,902	13,119
Capital expenditures	441	255	730	414
Ratio of total debt to broadcast operating cash flow (f)	4.8x	3.9x	7.6x	5.9x
Ratio of broadcast operating cash flow to cash paid for interest	1.7x	2.7x	1.3x	1.7x
Ratio of broadcast operating cash flow to interest expense	2.0x	2.5x	1.4x	1.7x
Ratio of broadcast operating cash flow to interest expense, net	2.2x	2.7x	1.4x	1.8x
Ratio of broadcast operating cash flow less capital expenditures to cash paid for interest	1.7x	2.6x	1.3x	1.7x

	Post Offering	Post Acquisition
	As of September 30, 1993	
Balance Sheet Data:		
Total assets	$136,273	$316,013
Total debt (g)	125,020	300,020
Total stockholders' equity	(16,737)	(16,737)

(footnotes on following page)

(a) Depreciation and amortization includes amortization of program contracts and net realizable value adjustments, depreciation and amortization of property and equipment, and amortization of acquired intangible broadcasting assets and other assets including amortization of deferred financing costs.

(b) For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of net income (loss) before income taxes and extraordinary items plus fixed charges. Fixed charges consist of interest expense, which includes interest on all debt and amortization of debt discount and deferred financing costs. Earnings were inadequate to cover fixed charges for the year ended December 31, 1992 and the nine months ended September 30, 1993 on a pro forma post Offering basis by $5,762 and $4,619, respectively, and on a pro forma post acquisition basis by $40,563 and $28,196, respectively.

(c) Broadcast operating cash flow is defined as broadcast operating income plus depreciation and amortization (including depreciation and amortization related to the PSAs) and special bonuses paid to executive officers, less program contract payments.

(d) Broadcast operating cash flow margin is defined as broadcast operating cash flow divided by net broadcast revenues.

(e) Post Acquisition program contract payments include $8,244 and $5,332 of program contracts made under the PSAs for the year ended December 31, 1992 and the nine months ended September 30, 1993, respectively.

(f) For the nine months ended September 30, 1993, the ratio of total debt to broadcast operating cash flow was computed using pro forma broadcast operating cash flow for the 12 months ended September 30, 1993.

(g) Total debt is defined as long-term debt, net of unamortized discount, and capital lease obligations, including current portion thereof. Total debt for Post Offering does not include $100,000 principal amount of the Notes, the proceeds of which will be held by the Trustee pursuant to the Pledge Agreement pending consummation of the Proposed Acquisitions. See "Description of the Notes — Special Mandatory Redemption."

RISK FACTORS

In addition to the other information contained in this Prospectus, prospective investors should review carefully the following risks concerning the Company and the television broadcast industry before purchasing the Notes offered hereby.

Substantial Leverage; Restrictive Covenants

As of September 30, 1993 and after giving effect to the sale of the Notes and the repayment of indebtedness outstanding under the Bank Credit Agreement with the proceeds of the Offering, the Company would have had $231.3 million of indebtedness outstanding and, subject to certain restrictions, up to $8.75 million available under the Company's revolving credit facility (the "Revolving Credit Facility"). In addition, the Company intends to incur additional indebtedness of approximately $75 million to finance the Proposed Acquisitions. The Company's ability to satisfy its financial obligations under the Notes and under its other indebtedness outstanding from time to time will depend upon its future operating performance, which is subject to certain regulatory matters, prevailing economic conditions, levels of interest rates and financial, business and other factors, many of which are beyond the Company's control. The Company experienced net losses of $4.7 million, $5.3 million and $3.0 million during 1991, 1992 and the nine months ended September 30, 1993, respectively.

The Company's current and future debt service obligations could have important consequences to holders of the Notes, including the following: (i) the Company's ability to obtain additional financing for future working capital needs or financing for the Proposed Acquisitions or other purposes may be limited; (ii) a substantial portion of the Company's cash flow from operations will be dedicated to the payment of principal and interest on its indebtedness, thereby reducing funds available for operations; and (iii) the Company may be more vulnerable to adverse economic conditions than less leveraged competitors and, thus, may be limited in its ability to withstand competitive pressures.

The Bank Credit Agreement and the Indenture contain, and the agreements relating to the indebtedness to be incurred in connection with the Proposed Acquisitions are expected to contain, numerous financial and operating covenants including, among others, restrictions on the ability of the Company to incur additional indebtedness, to create liens or other encumbrances, to make certain payments and investments, and to sell or otherwise dispose of assets and merge or consolidate with another entity. See "Description of Outstanding Indebtedness — Bank Credit Agreement" and "Description of the Notes — Certain Covenants." The Bank Credit Agreement also requires, and any financing in connection with the Proposed Acquisitions may require, the Company to meet certain financial tests on a consolidated basis, some of which may be more restrictive in future years. A failure to comply with the obligations contained in the Bank Credit Agreement, the Indenture or any agreements with respect to any additional financing could result in an event of default under such agreements which could permit acceleration of the related debt and acceleration of debt under other debt agreements that may contain cross-acceleration or cross-default provisions. The Company is currently in compliance with all covenants under its debt instruments.

Subordination of the Notes and the Guarantees; Asset Encumbrances

The payment of principal of, premium, if any, and interest on the Notes will be subordinated to the prior payment in full of existing and future Senior Indebtedness of the Company, which includes all indebtedness under the Bank Credit Agreement and the Founders' Notes and may include all or a portion of the financing for the Proposed Acquisitions. Therefore, in the event of the liquidation, dissolution, reorganization, or any similar proceeding regarding the Company, the assets of the Company will be available to pay obligations on the Notes only after Senior Indebtedness has been paid in full in cash or cash equivalents or in any other form acceptable to the holders of Senior Indebtedness, and there may not be sufficient assets to pay amounts due on all or any of the Notes. In addition, the Company may not pay principal of, premium, if any, interest on or any other amounts owing in respect of the Notes, make any deposit pursuant to defeasance provisions or purchase, redeem or otherwise retire the Notes, if any Designated Senior Indebtedness (as defined in the Indenture) is not paid when due or any other default on Designated Senior Indebtedness occurs and the maturity of such indebt-